



INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms
Washington, D. C. 20226

Number: 90-7 Date: 12/17/90

Excise Tax on Firearms and Ammunition

All Firearms Licensees and Others Concerned:

PURPOSE. The purpose of this circular is to advise industry members of the upcoming transfer of responsibility for the administration and collection of firearms and ammunition excise taxes.

On January 1, 1991, the Bureau of Alcohol, Tobacco and Firearms (ATF) will assume from the Internal Revenue Service (IRS) the responsibility for the collection function on taxes imposed under Section 4181 of the Internal Revenue Code of 1986, as amended.

Section 4181 of the Code imposes taxes on the sale or use of firearms and ammunition by the manufacturer, producer, or importer of the article. Tax is imposed on the sale or use at the rates of ten percent (10%) on pistols and revolvers and eleven percent (11%) on firearms (other than pistols and revolvers) and shells and cartridges.

Taxpayers incurring a tax liability on the sale or use of firearms and ammunition on or after January 1, 1991, will make tax deposits and file returns with ATF. Those individuals who are liable for firearms and ammunition excise taxes and will be making tax deposits and filing tax returns with ATF must obtain an Employer Identification Number, if they do not already have one, prior to making tax deposits or filing tax returns with ATF. An Employer Identification Number can be obtained by filing an application with IRS on Form SS-4. Form SS-4 may be obtained from any ATF regional office or any Internal Revenue district office or service center.

An information packet, containing tax returns (ATF Form 5300.26) and deposit forms (ATF Form 5300.27), will be sent to all licensed manufacturers and/or importers in the near future. Taxpayers are cautioned to correctly file returns and make deposits during this transition period. All deposits and returns for tax liability incurred on or before December 31, 1990, should be filed with IRS.

Inquiries. Inquiries concerning the subject matter of this circular should be made through the office of the Chief, Technical Services for the region in which your principal business, office or agency, or legal residence is located.

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